

BUDGET, FINANCE & INVESTMENT COMMITTEE

March 4, 2010

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Bob Bullen
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Truman Jones
Lisa Nolen
Regina Nelson
Bob Asbury
Tracy Hill

Others Present:

Roger Allen
Jeff Sandvig
Gary Clardy
Jim Baker
Sumner Bouldin
Tom Trent
Jim Johnson

Others Present:

Holly Weber
Jerry Sartain
Susan Allen
Steve Schroeder
Michelle Willard
Scott Broden
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the February 4, 2010 Budget Committee were presented for approval.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes as presented. The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey presented the monthly Investment Report for the use and information of the committee advising that there had been one investment transaction during the month with the investment being awarded to First Bank at an interest rate of 1.65%. The LGIP interest rate for the month was .21%.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the Investment Report as presented. The motion passed unanimously by acclamation.

Mr. Batey reported on the property tax collections advising that \$41.2 million was collected in the month of February, which was a significant increase over previous years. He advised that the collections were approximately \$9.1 million more in February of this year compared to February, 2009. He explained that the property tax collections were about .7% ahead of last year.

FUND CONDITION REPORT:

Finance Director Lisa Nolen advised that the Development Tax collections for the month of February totaled \$68,250 with the year-to-date collections being \$1,026,750. This compared to the same period last year when the monthly Development Tax collections totaled \$51,000, and the year-to-date collections were \$2,155,500.

Mrs. Nolen reviewed the cash balances for all funds which totaled \$212,417,377 with operating funds totaling \$185,704,411 and borrowed funds totaling \$26,708,966. This compared to February of last year when the total cash balances were \$171,596,421 with operating funds being \$156,820,599 and borrowed funds totaling \$14,775,823.

Mrs. Nolen advised that in total, the revenue collections for the General Fund and the Ambulance Service Fund combined were 71.43% collected. She advised that the increase in property tax collections were masking some other issues. She advised that the interest income was not performing as estimated. Last fiscal year \$1.6 million in interest was received. This fiscal year, \$800,000 was estimated to be collected. At the current rate of collections, the Finance Director advised that she was estimating that \$423,000 might be received. She also advised that the revenue received from housing state inmates was down. This was mainly due to the fact that there were fewer state prisoners being housed at the jail. She explained that if that

continued to be down for the rest of the year as it had been for the past several months, the boarding of prisoner revenue might be as much as \$500,000 short.

The Finance Director advised that the revenue collections in the Solid Waste/Sanitation Fund were on target. The revenue from the Mineral Severance Tax in the Highway Fund was down.

The revenue collections for the General Purpose School Fund were ahead due to the fact that the School System received the entire annual amount for the ARRA Basic Education Program during the month of February. Secondly, the increased rate of property tax collections for the month of February also caused the school revenue to appear to be ahead of budget projections.

The Finance Director also advised that revenue collections for the Drug Control Fund were down with only 25.7% of the revenue estimates being collected at this time.

Comm. Shafer wanted to know, in actual dollars, how much revenue had been collected compared to the same period last year.

Following review, Comm. Jernigan moved, seconded by Comm. Peay to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Lois Miller, Insurance Director, presented the monthly Insurance Report for the use and information of the committee advising that the self-funded employee per month cost for the medical, dental and vision programs had been consistent year over year. The CareHere costs were up slightly. The GASB liability was \$22.7 million.

Regarding the Work Injury performance, Mrs. Miller advised that the costs were down slightly year over year. The claims costs were running approximately 75% of last year's cost for the same period of time. She advised that the old workers' compensation claims were continuing to be closed out, and there were only 25 open workers' compensation claims. She advised that there were seven more old claims that were in the process of being closed. She advised that some of these claims would remain open for medical.

Following review, Comm. Bullen moved, seconded by Comm. Jordan to approve the Insurance Report as presented. The motion passed unanimously by acclamation.

GENERAL FUND BUDGET AMENDMENTS

ELECTION COMMISSION:

Chairman Ealy read a statement from Mr. Hooper Penuel, Election Registrar, stating that since he would be affected by the budget amendment dated February 22, 2010 and signed by Mr. Tom Walker, Chairman of the Election Commission, on behalf of the members of the Election Commission, he had determined that it would be unethical and inappropriate for him to present the amendment for approval by the Budget Committee. The statement advised that Chairman Walker and Mayor Burgess had been informed of this decision. He thanked the members of the Budget Committee for their past support and stated that he looked forward to working with them in the future.

The Finance Director requested approval of the following budget amendment for the Election Commission to provide funds to pay legal fees for the Election Commission and the Election Administrator. Funds were available in the Election Workers Account because primary elections would not be held in the spring, 2010:

From: 101-51500-193 – Election Workers -	\$32,500
To: 101-51500-331 – Legal Services -	\$25,000
101-51500-599 – Other Charges -	\$ 7,500

Mayor Burgess advised that this action went back to June, 2009 when six or seven other counties in which the election administrators were either terminated or resigned for various reasons filed a lawsuit claiming discrimination, etc. Mayor Burgess advised that Rutherford County's Election Administrator chose to join the lawsuit even though he had not been discharged. The process of advertising for the position and taking applications had begun. Therefore, Rutherford County's Election Administrator joined in the lawsuit and filed against Rutherford County's three republican election commission members and the Election Commission.

Mayor Burgess advised that according to Tennessee Code Annotated, the Election Commission is an agency of state government. It is not a county official agency. The Election Commission is appointed by the State Election Commission. The county has no authority or even any confirmation of the appointments. Technically, the county does not have any authority to defend a state agency. He advised that in discussions with the County Attorney, it has been decided that Rutherford County should not be a party to the lawsuit, because the county was not able to defend an agency of the state government.

Mayor Burgess advised that two particular issues had been foremost as far as answering the questions in the basic lawsuit. First, is the Administrator of Elections a county employee or a state employee? Mayor Burgess advised that he has taken the position that the Administrator of Elections is a state employee.

Secondly, does the position of Administrator of Elections as referred to in T.C.A. 2-12-201 qualify as an office of public trust as the term is used in the Tennessee Constitution, whereby no political or religious test shall be used as a qualification for that position? Mayor Burgess advised that it would take 18 to 24 months before this question was ever answered.

Mayor Burgess stated that the real question was if the Administrator of Elections was a state employee, and if so, the State Attorney General should be defending the case.

Shortly after the filing of the lawsuit, the State Attorney General issued an opinion that said that the Attorney General would not represent election commissions when they were sued for wrongful termination. The Attorney General's Office has confirmed that is their position. The Attorney General's opinion basically said that the Election Administrator position is a county employee.

Mayor Burgess advised that in a lawsuit filed in Bradley County, it was determined that the Election Administrator was a state employee.

Mayor Burgess advised that immediately after the lawsuit was filed, a temporary restraining order was issued against the Rutherford County Election Commission in that they could not continue any pursuit of replacing the position with the court case being in place.

Mayor Burgess advised that the only thing that the county had done was file a brief in Federal Court objecting to the fact that the Attorney General had opined that the position was a county employee. He stated that a case had been presented that firmly stated that the county believed the Election Administrator position was a state employee and that the state should be defending the case and all of the other cases in the other six or seven counties.

Mayor Burgess advised that once the case was in federal court and everybody agreed that the two questions were the primary questions, the federal court sent the two questions to the State Supreme Court and asked them to answer the two questions. In December, 2009, the State Supreme Court declined to participate. Mayor Burgess advised that the case was still in federal court, and it was still up in the air as to whether the position was a county employee or a state employee. Mayor Burgess advised that a possible date to hear the case had been set approximately 18 months from now. Mayor Burgess advised that this case would be a very lengthy and expensive battle.

Mayor Burgess advised that left the Election Commission with no option but to hire someone to defend the case. Sixty days after the case was filed someone had to answer on behalf of the Election Commission. Therefore, they hired an attorney to answer the lawsuit.

Mayor Burgess advised that the Tennessee Code allows Election Commissions to hire legal counsel, if necessary, to conduct the business of the commission. The code also states that even though the Election Commission is an agency of state government, it clearly states that by law it was the responsibility of the county to fund the operations of the Election Commission. Mayor Burgess stated that all of the entanglement did not relieve the county of the responsibility for funding the Election Commission.

Comm. Jernigan stated that if the county had to fund the Election Commission, and the county has funded it, then it seemed like the County Attorney should have been used.

Mayor Burgess advised that the County Attorney did not believe he could represent a state agency.

Comm. Bullen asked if the Election Commission had not advertised for the position, would there have been a lawsuit.

Mayor Burgess stated that in his opinion, if the Election Commission had never advertised for the position, there would not have been a lawsuit.

Comm. Bullen stated that it appeared that the Election Commission moved too fast in advertising for the position.

Comm. Jordan asked if the County Attorney had handled the case, how much the county would have spent.

Mayor Burgess stated that the County Attorney's Office has said that the amount of money requested in the budget amendment was a fair and reasonable amount.

Comm. Jordan said he would rather that the money being saved by not having the primary elections would go back to the General Fund instead of being spent for the lawsuit.

The Finance Director stated that the alternative would be to take the money from fund balance.

Mayor Burgess stated that any money that was not spent would go into fund balance.

Comm. Jernigan stated that the committee did not have to wait until the end of the year, and that they could vote to put the unspent money into fund balance now.

Mayor Burgess stated that if the budget amendment was approved to pay the current legal fees, then the county would be out of the case altogether. He stated that if the county wanted to stay in the lawsuit, it would probably cost another \$100,000 to \$150,000 to see it through to completion. He stated if it were to be found that the Election Administrator was a state employee, there was some possibility that the county could get some of the dollars spent back. He advised that if the amendment was approved, the Election Administrator was prepared to execute an agreement to end the county's participation. He advised that this would remove the exposure of spending another \$100,000 plus.

Comm. Shafer stated that it appeared to him that if the county spent \$32,500, then the county would be out of the lawsuit, but the lawsuit for the other six or seven counties would go on.

Comm. Peay stated that he would suggest that the three gentlemen who were named in the lawsuit should pay the legal services and not Rutherford County. He stated that it appeared that the three people hired an attorney on their own, and they should pay the bill. He stated that the County Attorney needed to be at the meeting.

Comm. Bullen moved, seconded by Comm. Jernigan to suspend the rules if there was someone in attendance who would like to make a brief statement to the committee regarding this issue.

The motion to suspend the rules to allow individuals in attendance to make a brief statement to the committee regarding the issue of paying the legal services for the Election Commission passed by roll call vote with Commissioners Bullen, Jernigan, Jordan, Peay, and Sandlin voting “yes”, Comm. Shafer abstaining, and Comm. Ealy voting “no”.

Comm. Ealy announced to the audience that this would not be a public hearing and questions and answers would not be taken. She stated that the comments should be limited to three minutes.

Mr. Jonathan Fagan, Chairman of the Democratic Party, addressed the committee. He stated that the Rutherford County Democratic Party worked diligently and with considerable effort to save the county \$100,000 by not holding a county primary election and by choosing instead to hold a caucus as was suggested by the Election Administrator, Hooper Penuel. He stated that the \$100,000 was saved, and it was the understanding of the Democratic Party that it would be turned in to the county. He stated that he hoped that would be done.

Mr. Fagan advised that the Mayor reported to the committee that T.C.A. allowed the Election Commission to hire its own attorneys in this matter. He stated that he disagreed with that statement. He stated that T.C.A. 2-12-101 provided that “County Election Commissions shall be represented in legal proceedings as follows:

1. If the legal proceeding names the county election commissioners as defendants and the lawsuit involves a municipal election, the municipality concerned shall furnish counsel to represent the commissioners;
2. If the election involved in the legal proceedings is that of a county election, the county shall furnish counsel for the commissioners....”

Mr. Fagan advised that there was no election involved in this matter; and therefore, T.C.A. did not give the authority for the Election Commission to hire an attorney. He stated that was state law and those were the facts and they were undisputed.

No one else from the audience addressed the committee.

Mayor Burgess stated that if no one else wished to speak, he would like to rebut that. He stated that what Mr. Fagan said was exactly in the code, and that was correct. He stated that there was no election involved. However, this section of the code did not apply to the situation. He stated that T.C.A. 2-12-116 Section A-4 stated that upon the recommendation of the Administrator, the Election Commission shall be allowed to hire legal counsel if necessary to conduct the business of the commission. He stated that he knew that the code Mr. Fagan referred to did not apply.

Comm. Bullen asked if this issue had to be settled at this meeting, and if the county was under a deadline.

Mayor Burgess advised that the offer was on the table to settle the issue. He stated that both parties, the Administrator and the Election Commission, had reached an agreement. He stated that it needed to be worked out.

Comm. Bullen stated that he believed the mayor had worked hard to get the county out of the situation, and that it would cost the county \$32,500 to get the county out of it. However, he stated that there were three election commissioners who acted in a manner that brought this on.

Comm. Sandlin stated that in order for the County Attorney to be present to answer some questions, that the matter could be sent on to the County Commission with or without a recommendation.

Comm. Shafer stated he was open to sending the matter to the County Commission.

Comm. Jernigan stated he also thought that the matter should be sent to the County Commission so that the County Attorney could be present to answer questions.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to forward the following budget amendment to provide funding to pay legal services for the Election Commission and the Election Administrator to the County Commission without a recommendation with the County Attorney to be prepared to answer questions regarding the matter:

From: 101-51500-193 – Election Workers -	\$32,500
To: 101-51500-331 – Legal Services -	\$25,000
101-51500-599 – Other Charges -	7,500

The motion passed unanimously by roll call vote.

Comm. Bullen asked if copies of the Election Commission minutes that pertained to this matter could be requested.

The Finance Director requested approval of the following budget transfer to pay additional legal notices associated with the special election held earlier in the Fiscal Year and to provide additional funding to purchase legal books:

From: 101-51500-193 – Election Workers -	\$ 7,155
To: 101-51500-332 – Legal Notices -	\$ 6,655
101-51500-435 – Office Supplies -	500

The Finance Director advised that reimbursement in the amount of \$12,406 had been received from the State for reimbursement of the special election. She advised that the committee could use this revenue to fund the amendment if they were not comfortable with using the Election Workers Account.

Following discussion, Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget transfer as presented transferring \$7,155 from Account 101-51500-193, Election Workers, with \$6,655 to Account 101-51500-332, Legal Notices, and \$500 to Account 101-51500-435, Office Supplies.

The motion passed unanimously by roll call vote.

COUNTY BUILDINGS:

The Finance Director requested approval of the following budget amendment for the County Buildings Department to provide funding for expenditures specifically related to the H1N1 prevention measures. All expenditures for all county departments were paid from the Maintenance Department funds in order to achieve volume discounts. These expenditures were not anticipated during the 2009-10 budget process:

From: 101-39000 – Undesignated Fund Balance -	\$7,300
To: 101-51800-499 – Other Supplies & Materials -	\$7,300

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment amending \$7,300 from Account 101-39000, Undesignated Fund Balance, to Account 101-51800-499, Other Supplies & Materials, to provide funding for the purchase of H1N1 prevention measures. The motion passed unanimously by roll call vote.

ARCHIVES:

The Finance Director requested approval of the following budget amendment for the Archives Department to recognize proceeds of a grant that was awarded from the Tennessee State Library and Archives in the amount of \$2,818 and to appropriate the revenue to purchase supplies, a computer, scanner, external hard drive and the related software:

Increase Revenue:	101-46190 – Other General Government Grants -	\$2,818
To:	101-51910-499 – Other Supplies & Materials -	\$1,012
	101-51910-709 – Data Processing Equipment -	1,806

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the Archives Department recognizing the proceeds from a grant awarded from the Tennessee State Library and Archives in the amount of \$2,818 and appropriating the proceeds with \$1,012 to Account 101-51910-499, Other Supplies & Materials, and \$1,806 to Account 101-51910-709, Data Processing Equipment. The motion passed unanimously by roll call vote.

COUNTY CLERK:

The Finance Director requested approval of the following budget transfer and amendment for the County Clerk to provide additional funding for the Communications Account because of the increased costs associated with the new Smyrna Clerk's Office Building. There is money available in the lease payment line item since the office is expected to move in March. The Finance Director also requested approval to use \$6,000 in data processing fees collected in the County Clerk's Office to provide funding to purchase a new server for the Murfreesboro office:

From:	101-52500-330 – Operating Lease Payments -	\$9,000
To:	101-52500-307 – Communications -	\$9,000
Increase Revenue:	101-43396 – Data Processing Fee/ County Clerk -	\$6,000
Increase Expend.:	101-52500-709 – Data Processing Equip. -	\$6,000

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget transfer of \$9,000 from Account 101-52500-330, Operating Lease Payments, to Account 101-52500-307, Communications; and to recognize revenue of \$6,000 to Account 101-43396, Data Processing Fee-County Clerk, and to appropriate the \$6,000 to Account 101-52500-709, Data Processing Equipment. The motion passed unanimously by roll call vote.

PET ADOPTION & WELFARE SERVICES:

Ms. Tracy Hill, PAWS Director, requested approval of the following budget transfers to provide additional funding for building maintenance, animal food and supplies, and medical and dental services to pay the medical bill for an inmate who was hurt. Additionally, a transfer of \$2,800 was requested to provide additional funding for the Attendants Account due to turnover:

From:	101-55120-707 – Building Improvements -	\$11,500
To:	101-55120-335 – Maint./Repair Buildings -	\$ 6,000
	101-55120-340 – Medical/Dental Services -	3,000
	101-55120-401 – Animal Food & Supplies -	2,500
From:	101-55120-105 – Supervisor -	\$ 2,800
To:	101-55120-164 – Attendants -	\$ 2,800

Comm. Shafer moved, seconded by Comm. Sandlin to approve the budget transfers for the PAWS Department as presented transferring \$11,500 from Account 101-55120-707, Building Improvements, with \$6,000 to Account 101-55120-335, Maintenance & Repair Buildings,

\$3,000 to Account 101-55120-340, Medical & Dental Services, and \$2,500 to Account 101-55120-401, Animal Food & Supplies; and to transfer \$2,800 from Account 101-55120-105, Supervisor, to Account 101-55120-164, Attendants. The motion passed unanimously by roll call vote.

EMERGENCY MANAGEMENT:

Mr. Roger Allen, Emergency Management Director, requested approval of the following budget amendment to recognize the revenue to be received from the 2009 Homeland Security Grant and to appropriate the proceeds for Other Equipment. The grant was previously approved by the committee and the County Commission in November, 2009:

Increase Revenue:	101-47235 – Homeland Security Grant -	\$478,621
Increase Expend.:	101-54430-790 – Other Equipment -	\$478,621

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment for the Emergency Management Department to recognize the revenue to be received from the 2009 Homeland Security Grant and to appropriate the proceeds for Other Equipment. The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Chief Regina Nelson requested approval of the following budget amendments to recognize revenue in the amount of \$25,000 from the Murfreesboro Police Department per the Printrak Agreement for the processing of inmates; to transfer \$20,500 from Other Salaries and Wages to provide funding for Office Supplies and prisoner clothing, to recognize revenue of \$5,500 from Insurance Recovery and amend \$17,553 from the Miscellaneous Judgment Account to replace a totaled patrol vehicle, and to recognize \$6,800 from Insurance Recovery to provide funding for vehicle maintenance and to assist in replacing a vehicle:

Increase Revenue:	101-48130 – Contributions -	\$25,000
Increase Expend.:	101-54210-709 – Data Processing Equip. -	\$25,000
From:	101-54110-189 – Other Salaries & Wages -	\$20,500
To:	101-54210-441 – Prisoner Clothing -	\$15,000
	101-54210-435 – Office Supplies -	5,500
Increase Revenue:	101-49700 – Insurance Recovery -	\$ 5,500
From:	101-58900-505 – Judgments -	\$17,553
To:	101-54110-718 – Motor Vehicles -	\$23,053
Increase Revenue:	101-49700 – Insurance Recovery -	\$ 6,800
To:	101-54110-338 – Maint./Repair Vehicles -	\$ 1,165
	101-54110-718 – Motor Vehicles -	5,635

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendments for the Sheriff's Department as requested to recognize revenue of \$25,000 from the Murfreesboro Police Department for Data Processing Equipment to process inmates; to transfer \$20,500 within the budget to cover estimated prisoner clothing and to purchase a new copier, to use insurance proceeds and a transfer of \$17,553 from the Miscellaneous Judgments Account to replace a totaled vehicle, and to use insurance proceeds to provide funding for maintenance and repair of vehicles and to assist in replacing a vehicle. The motion passed unanimously by roll call vote.

Chief Nelson requested approval to apply for a three-year STOP Grant through the Office of Criminal Justice Programs in the amount of \$131,457 which requires a 25% cash or in-kind match. The grant funds will be used to hire a Domestic Violence Investigator.

Sheriff Jones advised that the Sheriff's Department is seeing more and more domestic violence cases.

Comm. Jordan moved, seconded by Comm. Jernigan to authorize the Sheriff's Department to apply for a three-year STOP Grant through the Office of Criminal Justice Programs in the amount of \$131,457 which requires a 25% cash or in-kind match to hire a Domestic Violence Investigator. The motion passed unanimously by roll call vote.

EQUITABLE SHARING AGREEMENT – SHERIFF'S DEPARTMENT:

The Finance Director advised that the Sheriff's Department maintains a bank account for federal equitable shared funds forfeited to the county. These funds have not previously been channeled through the county's budgetary process. She requested approval of the following budget amendment to correct the audit finding noted in the 6/30/2009 audit by creating a new fund, Fund 121, Special Purpose Fund, that will function similar to the Drug Control Fund with the exception that revenues will only be budgeted and appropriated after the actual receipt of funds:

Increase Revenue:	121-47700 – Asset Forfeiture Fund -	\$46,840
Increase Expend.:	121-54110-196 – In-Service Training -	\$ 2,500
	121-54110-319 – Confidential Payments -	32,570
	121-54110-429 – Instructional Supplies -	8,518
	121-54110-431 – Law Enforcement Supplies -	1,752
	121-54110-499 – Other Supplies/Materials -	1,500

Following review, Comm. Bullen moved, seconded by Comm. Jordan to approve the request to establish a new fund, Fund 121 – Special Purpose Fund, to account for the federal equitable shared funds forfeited to the county; and additionally, to approve the budget amendment to recognize the revenue of \$46,840 to Account 121-47700, Asset Forfeiture Fund, and to appropriate the revenue with \$2,500 to Account 121-54110-196, In-Service Training, \$32,570 to Account 121-54110-319, Confidential Payments, \$8,518 to Account 121-54110-429, Instructional Supplies, \$1,752 to Account 121-54110-431, Law Enforcement Supplies, and \$1,500 to Account 121-54110-499, Other Supplies and Materials. The motion passed unanimously by roll call vote.

EMPLOYEE INSURANCE BUDGET AMENDMENTS – ALL FUNDS:

The Finance Director requested approval of the following budget amendments to provide additional funding for Employee and Dependent Health Insurance for all departments due to open enrollment changes and rate changes that went into effect January 1, 2010:

General Fund:		
From:	101-58600-205 – Employee Benefits/Employee Insurance -	\$58,936
	101-52310-205 – Reappraisal/Employee Insurance -	9,650
To:	101-51300-205 – County Mayor/Employee Insurance -	\$ 570
	101-51400-205 – County Attorney/Employee Insurance -	220
	101-51910-205 – Archives/Employee Insurance -	5,240
	101-52100-205 – Finance/Employee Insurance -	71
	101-52300-205 – Property Assessor/Employee Insurance -	9,650
	101-52600-205 – OIT/Employee Insurance -	1,725
	101-53110-205 – Circuit Judges/Employee Insurance -	4,540
	101-53300-205 – General Sessions/Employee Insurance -	1,525
	101-53330-205 – Drug Court/Employee Insurance -	6,470
	101-53400-205 – Chancery Court/Employee Insurance -	8,515

101-54110-205 – Sheriff’s Dept./Employee Insurance -	15,330
101-55110-205 – Health Dept./Employee Insurance -	13,200
101-57800-205 – Storm Water/Employee Insurance -	1,530

Solid Waste/Sanitation Fund:

From: 116-55732-205 – Convenience Centers/Employee Insurance -	\$ 9,530
To: 116-55754-205 – Landfill Operations/Employee Insurance -	9,530

Ambulance Service Fund:

From: 118-39000 – Undesignated Fund Balance -	\$50,000
To: 118-55130-205 – Ambulance/Employee Insurance -	\$50,000

Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget amendments to provide additional funding for the Employee and Dependent Insurance for all funds due to open enrollment changes and rate changes that went into effect January 1, 2010. The motion passed unanimously by roll call vote.

RUTHERFORD COUNTY SCHOOLS LIGHTING MANAGEMENT SYSTEM –
LEASE/PURCHASE AGREEMENT & ENERGY SERVICES AGREEMENT:

Mr. Jeff Sandvig, Assistant Superintendent, and Mr. Gary Clardy were present to request approval for funding the \$1,596,035 balance for Excel Energy Group’s \$2,337,515 proposal for occupancy sensors and to consider Excel Energy Group’s seven-year lease purchase plan as another funding option.

Mr. Sandvig reminded the committee that in October, the School Board forwarded a request to the County Commission to approve the Excel Energy Group \$2,337,515 proposal for occupancy sensors contingent on state approval of the system’s Efficient Schools Initiative Grant of \$741,480 and the County Commission’s approval of financing the \$1,596,035 balance.

Mr. Sandvig advised that the state had approved the grant, but the loan documents for the program would not be available for five to seven more months. Mr. Sandvig requested approval of a seven-year lease purchase plan that Mr. Caroom’s firm has prepared. He advised that the financing terms match what was approved in October with \$741,480 to be provided from the Energy Efficient Schools Initiative Grant, \$500,000 at 0% for seven years, and \$1,096,035 at 3% for seven years. This would be temporary funding until the loans from the state were ready.

Mr. Sandvig advised that Jeff Reed had reviewed the Lease/Purchase Agreement and was satisfied.

Mr. Sandvig advised that it was anticipated that the Lease/Purchase Agreement would be a short-term agreement until the state funds were available.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the request from the Board of Education to approve funding the \$1,596,035 balance for Excel Energy Group’s \$2,337,515 proposal for occupancy sensors and to consider Excel Energy Group’s seven-year lease purchase plan as another funding option; and additionally, to forward a Resolution to the County Commission authorizing the same. The motion passed unanimously by roll call vote.

RESOLUTION TO REQUEST UNCLAIMED BALANCE OF ACCOUNTS REMITTED TO
STATE TREASURER UNDER UNCLAIMED PROPERTY ACT:

The Finance Director advised that unclaimed property was remitted to the state annually. It remained at the State until individuals applied for it. After 18 months, the County can request any unpaid balance be paid back to the county. However, the county will be accepting liability for future claims against accounts represented in funds paid to it and will be required to submit an annual report of claims received on the accounts. The county will also be agreeing that it will retain a sufficient amount to insure prompt payment of allowed claims without deduction for

administrative costs or service charge. Mrs. Nolen requested approval of a Resolution requesting the balance of accounts that the State has not paid out.

Comm. Jordan moved, seconded by Comm. Jernigan to approve a Resolution and forward the same to the County Commission to request the unclaimed balance of accounts remitted to the State Treasurer under the Unclaimed Property Act. The motion passed unanimously by roll call vote.

RESOLUTION ALLOCATING RECOVERY ZONE FACILITY BOND ALLOCATION TO MIDTMD, LLC:

Mr. Jim Baker, Chairman, Industrial Development Board, and Mr. Sumner Bouldin, Attorney, were present to request approval of a Resolution of the County Commission allocating \$12,718,000 of Recovery Zone Facility Bond allocation received by Rutherford County to MidTMD, LLC as the ultimate beneficiary of the proposed bonds; and authorizing the Industrial Development Board to issue Recovery Zone Facility Bonds on behalf of MidTMD, LLC.

Chairman Ealy reminded the committee that at last months County Commission meeting, a Resolution was adopted designating Rutherford County as a Recovery Zone, which made it possible to access dollars for Recovery Zone Facility Bonds.

Mr. Baker advised that the Industrial Development Board had received an application for the issuance of Recovery Zone Facility Bonds in the amount of \$12,718,000. Mr. Baker advised that the deadline for applying for the bonds is March 10. Mr. Baker advised that Johnson Development was planning to construct an office building on the hospital campus adjacent to the hospital located at 1700 Medical Center Parkway.

Representatives from Johnson Development were present.

Mayor Burgess advised that contact had been made with the Governor and the Economic Development group, and some flexibility would be given. However, it would need to be approved by the County Commission on March 11.

Comm. Jernigan moved, seconded by Comm. Peay to approve a Resolution and forward the same to the County Commission allocating \$12,718,000 of the Recovery Zone Facility Bond allocation received by Rutherford County to MidTMD, LLC as the ultimate beneficiary of the proposed bonds; and authorizing the Industrial Development Board to issue Recovery Zone Facility Bonds on behalf of MidTMD, LLC. The motion passed unanimously by roll call vote.

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD AUTHORIZING THE ISSUANCE OF UP TO \$12,718,000 OF RECOVERY ZONE FACILITY REVENUE BONDS:

A Resolution was presented for approval authorizing the issuance of up to \$12,718,000 of Recovery Zone Facility Revenue Bonds by the Industrial Development Board of Rutherford County to MidTMD, LLC for the purpose of financing a portion of the cost of the construction and equipping of a medical office building to be located on the Middle Tennessee Medical Center campus, adjacent to the hospital located at 1700 Medical Center Parkway.

Comm. Jernigan moved, seconded by Comm. Shafer to approve a Resolution and forward the same to the County Commission contingent upon approval by the Industrial Development Board authorizing the issuance of up to \$12,718,000 of Recovery Zone Facility Revenue Bonds by the Industrial Development Board to MidTMD, LLC for the purpose of financing a portion of the cost of the construction and equipping of a medical office building to be located on the Middle Tennessee Medical Center campus, adjacent to the hospital located at 1700 Medical Center Parkway, Murfreesboro, Tennessee. The motion passed unanimously by roll call vote.

2010-2011 BUDGET SCHEDULE:

A proposed 2010-2011 budget schedule was presented to the committee for approval. The budget overview will be held on April 29 at 5:00 P.M. The departments of the General Fund will be reviewed on May 11, May 17 and May 18 at 5:30 P.M. The Ambulance Service Fund will also be reviewed on May 18. The Highway Fund, Solid Waste/Sanitation Fund, and the Debt Service Fund will be reviewed on May 20 at 5:30 P.M. A joint meeting of the Health & Education Committee, School Board, and Budget Committee will be held at the Health and Education regular meeting on May 25 at the School Board Central Office. The Budget Committee will consider the schools' budgets on June 1 at 5:30 P.M. A recommendation will be made on June 3 for publication in the newspaper on June 13. The public hearing will be held on June 15. Other meeting dates for budget review will be June 16 and June 23. The budget is scheduled to be presented to the County Commission for adoption on June 28 at 9:00 A.M.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the 2010-2011 budget schedule. The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 6:55 P.M.

Elaine Short, Secretary